

10/13/78

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THE PRESIDENT'S SCHEDULE

Friday - October 13, 1978

7:30 Breakfast with Vice President Walter F. Mondale,
(90 min.) Secretaries Cyrus Vance and Harold Brown,
Dr. Zbigniew Brzezinski, and Mr. Hamilton Jordan.
The Cabinet Room.

9:00 Dr. Zbigniew Brzezinski - The Oval Office.

9:30 Signing Ceremony for S. 2640, Civil Service
(15 min.) Reform. (Mr. Frank Moore) - State Dining Room.

9:45 Mr. Frank Moore - The Oval Office.

10:00 Senator Daniel P. Moynihan. (Mr. Frank Moore).
(15 min.) The Oval Office.

10:30 Mr. Jody Powell - The Oval Office.

11:00 Mr. Charles Schultze - The Oval Office.
(20 min.)

11:45 Private Luncheon - The Roosevelt Room.
(60 min.)

1:15 Editors Meeting. (Mr. Jody Powell) - Cabinet Room.
(30 min.)

2:30 Drop-by Annual Meeting of the National Alliance
(15 min.) of Business, Inc. (Mr. Stuart Eizenstat).
Room 450, EOB.

2:45 Depart South Grounds via Helicopter en route
Camp David.

1:15 PM

THE WHITE HOUSE
WASHINGTON

October 12, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Walt Wurfel

SUBJECT: Your Q&A session with non-Washington editors
and broadcasters -- 1:15 p.m. Friday, Oct. 13,
Cabinet Room.

Stu Eizenstat, Scotty Campbell and Sarah Weddington will brief this group before they meet with you. Zbigniew Brzezinski and Lyle Gramley are on the afternoon agenda.

This is the 33rd in this series of briefings. The participants come from 19 states. The agenda and list of participants are attached.

The White House press pool will be in the Cabinet Room for your opening statement. I'll give the usual "Thank you" after 25 minutes to allow for quick individual pictures with you.

THE WHITE HOUSE

WASHINGTON

Editors' Briefing

October 13, 1978

AGENDA

8:30-8:40 a.m.	Coffee
8:40-9:15 a.m.	WALTER WURFEL Deputy Press Secretary PATRICIA Y. BARIO Associate Press Secretary Office of Media Liaison PATRICIA E. BAUER Editor White House News Summary
9:15-10:15 a.m.	JAMES BISHOP, JR. Director, Office of Public Affairs Department of Energy
10:15-10:30 a.m.	Break
10:30-11:15 a.m.	STUART E. EIZENSTAT Assistant to the President for Domestic Affairs and Policy
11:15-11:50 a.m.	ALAN K. (SCOTTY) CAMPBELL Chairman Civil Service Commission
11:50-12:00 Noon	Buffet Lunch
12:00-12:55 p.m.	Luncheon Speaker SARAH WEDDINGTON Special Assistant to the President
12:55-1:05 p.m.	En Route to Cabinet Room

1:05-1:15 p.m.	JODY POWELL Press Secretary
1:15-1:45 p.m.	Q AND A WITH PRESIDENT CARTER
1:45-2:00 p.m.	Filing Time
2:00-2:40 p.m.	ZBIGNIEW BRZEZINSKI Assistant to the President for National Security Affairs
2:40-3:30 p.m.	LYLE E. GRAMLEY Member Council of Economic Advisers

BRIEFING PARTICIPANTS

October 13

CONNECTICUT: David Ferguson, managing editor, daily Fairpress, Norwalk.

FLORIDA: Biff Burns, news director, WRMF Radio, Titusville.

GEORGIA: James Wood, Jr., publisher, News Daily, Jonesboro. Immediate past president of the Georgia Press Association. State Representative. Interests: national defense, air transportation.

INDIANA: Jack McQuate, news director, WBST Radio, Muncie.

KANSAS: Bill Redlin, news director, KFKU-KANU Radio, Lawrence.

KENTUCKY: Carol Ellison, editor, weekly Leader (Scripps-Howard), Florence. Publisher is conservative Republican. Issues: Transportation and CETA. Area is blue-collar Catholic.

MAINE: Mel Leary, Capitol News Service, Augusta. Young UPI stringer. Issues: Loring AFB, Indian land claims. Recommended by Senator Hathaway.

MARYLAND: Tom Becherer, news director, WBAL-TV, Baltimore.
Anne Muller-Thym, Jewish Times, Baltimore.

MASSACHUSETTS: A. James Cameron, news director, WCOZ Radio, Boston.

MINNESOTA: William Sumner, editor, St. Paul Pioneer Press (Knight-Ridder). Concerns: government reform, federal wilderness lands, abortion. Recent editorials opposing Administration on natural gas.

MISSOURI: Tom Leathers, publisher, The Squire, Kansas City. Publisher of six weeklies in the Kansas City area.

Mike Williams, associate publisher, Sentinel Newspapers, St. Louis. Chain of Black weeklies. Generally favorable; especially supportive of Eleanor Holmes Norton. May ask about recent UDAG to St. Louis.

NEW JERSEY: Maryjane Briant, managing editor, Gazette Leader, Wildwood. Published three times a week. Briant is new as editor.

NORTH CAROLINA: Joseph Parker, president, Parker Brothers Publishing Company, Ahoskie. Family-owned chain of six newspapers (dailies and weeklies). Active Democrat. Generally favorable toward Administration. Recommended by Senator Morgan.

OHIO: David Cooper, associate editor, Beacon Journal, Akron. (Knight-Ridder.) Known as best newspaper in Ohio. Leans Democratic but deals issue-to-issue editorially. Recent editorials have supported the Administration on natural gas and tax reform. Concerns: jobs, imports, energy, urban revitalization.

Luke Feck, editor, Enquirer, Cincinnati. Recently acquired by Gannett. Feck is extremely interested in international affairs, will probably ask about SALT. Editorial policy: conservative Republican.

OREGON: Jim Terrell, managing editor and Vice-President, The Community Press, Tigard. Seventeen weekly and twice weekly editions in Portland and Salem, Oregon, and Honolulu. Will probably ask about Prop 13-type initiative on November ballot in Oregon.

SOUTH CAROLINA: Aubrey Bowie, associate editor, News, Greenville. Conservative daily in fast-growing area of state. With the exception of labor law reform, has been supportive of Administration. Bowie is on the Board of the National Conference of Editorial Writers.

VERMONT: Bradford Hills, editor, Valley News, White River Junction. Small liberal daily, generally favorable toward Administration. Issues: transportation (AMTRAK), agriculture, postal rates.

VIRGINIA: Ann Merriman, editorial page editor, Richmond News Leader. Merriman is on the Board of the National Conference of Editorial Writers. Personal friend of Congressman Satterfield. Conservative, generally negative toward Administration.

WYOMING: Dick Redburn, managing editor, daily Press, Sheridan. Conservative Republican paper. Issues: mineral development, energy, state/federal relations. Recommended by Senator Wallop.

THE WHITE HOUSE
WASHINGTON

10/13/78

TO : Susan Clough

FROM: Carolyn Shields


Jody would like for the President
to see this before he meets with
the editors today at 1:15 pm.

OFFICE OF THE SPECIAL REPRESENTATIVE
FOR TRADE NEGOTIATIONS

EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON
20506

October 12, 1978

MEMORANDUM TO JODY POWELL

FROM: Vince Clephas 

RE: Statement on Textile Negotiations with the PRC

At one of the briefings (or even at a Presidential news conference) there could arise the question of negotiating quotas on textile imports from the People's Republic of China. This is something we are now engaged in, and which is very important politically in the textile areas; however, it is very sensitive at NSC & the China desk at State, so we have come up with some carefully crafted language for response to questions. We have three questions, three answers; you are likely to get more questions and still have three answers. They are:

Q. Is the Administration negotiating textile restraints with the PRC?

A. In response to your question, I can only say this: The Administration is concerned over the rapid increase of textile imports from the PRC. We will, therefore, discuss means to insure more orderly growth of this trade. As a result of our efforts over the past several months, officials of both sides have now expressed their willingness to have unofficial meetings to exchange views on this subject. That is all I am prepared to say at this time.

Q. What does "unofficial" mean?

A. I think that wording should be taken in the context that, as you know, there are no formal diplomatic relations between us.

- Q. Where are the talks being held and who is conducting them?
- A. The unofficial exchange of views is taking place in Washington between officials of the PRC liaison office and officials of the U.S. government.

This afternoon, for the first time, there was a press inquiry during a public meeting at Commerce. Our Chief Textile Negotiator, Mike Smith, gave precisely the answers above (oddly enough, he was asked those very questions).

Beyond the above, Strauss has flatly told the textile industry we are going to set limits on PRC imports with or without their cooperation.

THE WHITE HOUSE
WASHINGTON

FOR THE RECORD:

Memos was returned in October 13
and Frank received a copy.

THE WHITE HOUSE
WASHINGTON

Frank J

October 12, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

FRANK MOORE
BILL CABLE
JIM FREE

by Les FRANCIS

SUBJECT:

Energy Calls

CONGRESSMAN PETE MC CLOSKEY (R-CA)

Western Gas Association reports that the Congressman wants to vote with us but needs encouragement.

> CONGRESSMAN STEWART MC KINNEY (R-CONN)

R-5 B-1

McKinney has been uncommitted. You need to explain the importance of his vote to obtaining a National Energy Policy.

> CONGRESSMAN CHARLES WHALEN (R-OHIO)

R-5 B-1 no on Nat Gas

Whalen has been one of the most supportive Republicans in the House but is leaning against us on this issue. You need to encourage him to at least vote with us on the rule, if not on both the rule and the bill.

CONGRESSMAN BILLY LEE EVANS (D-GA)

~~Evans has been uncommitted to date, but can go our way. The problem is that in talking with him, Evans may bring up Lake Alma. If this issue can be avoided, you need to ask Evans to give his support on this issue.~~

CONGRESSMAN TOM RAILSBACK (R-ILL)

Railsback weighs the merits of legislation and votes his convictions. You need to ask him for his vote for the economic reasons. He has been against us so far.

CONGRESSMAN ELWOOD HILLIS (R-IND)

Hillis has rarely supported the Administration, but the Indiana Farm Bureau reports that he is with us on the energy bill. Your encouragement would firm up this support.

> CONGRESSMAN TIM LEE CARTER (R-KY)

R-2 B-2

Carter is against us, but has usually been responsive to Presidential requests.

CONGRESSMAN JOHN BUCHANAN (R-ALA)

Buchanan has indicated his support for the bill but is shakey. A call from you might firm up his support.

> CONGRESSMAN JOHN J. LA FALCE (D-NY)

R-3

B-3

La Falce spent all day yesterday reading an analysis of the bill. You need to appeal to what the bill means to New York and the national interests.

Will
call
Stu

CONGRESSMAN EDWARD DERWINSKI (R-ILL)

As you know, Derwinski has been one of our best supporters on many issues but has been somehow reluctant to bring support to this one. A Presidential appeal would be helpful.

CONGRESSMAN GENE TAYLOR (R-MISSOURI)

Taylor has been leaning in favor of voting with us on the energy package. You need to make a plea for the national interests.

THE WHITE HOUSE

WASHINGTON

CONGRESSIONAL TELEPHONE CALL

TO: Senator Bill Roth (R-Del)

DATE: October 11 or 12, 1978

RECOMMENDED BY: Frank Moore *F.M./BR*

PURPOSE: Senator Roth wants to discuss tuition tax credit and to urge that you not veto that measure

BACKGROUND: Sen. Roth requested a meeting with you about two weeks ago. We were successful in delaying the meeting until after Senate consideration of the tuition tax credit amendment to the tax reduction bill (it was included by way of a Packwood floor amendment) and the Kemp-Roth tax cut bill.

Speaking on behalf of you, no one has said that the tuition tax credit bill would be vetoed. However, Sec. Califano has said that he would urge you to veto this measure.

Roth has been with us on one or two tough votes, and we have a generally good working relationship with him and his staff.

TALKING POINTS: I suggest that you not make a flat-footed statement to him promising a veto.

Date of Submission: October 11, 1978

THE WHITE HOUSE

WASHINGTON

CONGRESSIONAL TELEPHONE CALL

TO: Cong. Tom Downey (D-NY)

DATE: October 11, 1978

RECOMMENDED BY: Frank Moore *F.M.*
Jim Free *J.F.*

PURPOSE: To discuss Paul Warnke's replacement and energy

BACKGROUND: Cong. Downey has called requesting to speak to you about Paul Warnke's replacement. He also would like to talk to you about the energy bill; he will probably commit to you on the previous question and rule during your conversation.

Downey is upset by Warnke's resignation. We believe he thinks that Warnke was forced out by conservatives in the Administration. He has probably heard that General Goodpastor is a potential replacement for Warnke. Our guess is that Downey would be opposed to Goodpastor's nomination.

As you know, Downey has been a consistent supporter of ours on SALT and has met with you several times on this subject.

Date of Submission: October 11, 1978

	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION -

ACTION
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

	VICE PRESIDENT
	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE

	ARAGON
	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	RAFSHOON
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

THE WHITE HOUSE
WASHINGTON
10/13/78

Stu Eizenstat
Bob Lipshutz

The attached was returned in the President's outbox today and is forwarded to you for your information. The signed original has been given to Bob Linder for appropriate handling.

Rick Hutcheson

cc: Bob Linder

5219

THE WHITE HOUSE
WASHINGTON

October 11, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: BOB LIPSHUTZ *BL*
STU EIZENSTAT *Stu*

RE: CAB Decisions:
(1) American Airlines, Inc. (Docket 33617)
(2) Pan American World Airways, Inc., British Airways, British Caledonian Airways, Aerlinte Eireann Teoranta, Swissair, and Transportes Aeroes Portuguese (Docket 33622)

The CAB proposes to suspend fare increases in two different cases:

- (1) In the first case, the Board would suspend a 5 percent increase proposed by American Airlines in its U.S.-Caribbean markets. The CAB opposes the increase because it is tied to an excess baggage charge system based on weight, and the Board has previously found that the number of pieces, rather than weight, is the principal factor governing the cost of baggage services.
- (2) In the second case, the Board would suspend 5 percent to 6.5 percent increases in normal transatlantic fares proposed by various airlines. The CAB is allowing increases in first class and discount fares but has disapproved economy fare increases because these fares include allowances to cover mandatory services--such as unlimited stopovers and circuitous routing--that many passengers do not use.

Issues identical to both of these were presented to you in August when you approved similar Board orders. Interested agencies have no objection to these orders and we recommend that you approve them by taking no action. The first order becomes effective October 15 if no action is taken; the second order becomes final October 16.

☒ Approve both
decisions

☒ Disapprove

THE WHITE HOUSE
WASHINGTON

10/13/78

Ed Sanders

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON

October 9, 1978

*Good -
Thanks
J*

MEMORANDUM FOR THE PRESIDENT

FROM: EDWARD SANDERS. *ES*
SUBJECT: Remarks by Ted Mann

I have attached to this memorandum a letter from Ted Mann dated October 4, together with a copy of his speech introducing Prime Minister Begin in New York on September 20. I thought you might be interested particularly in the paragraph beginning on the bottom of page 1.

Attachments:

MANN AND UNGAR
PROFESSIONAL ASSOCIATION
ATTORNEYS AT LAW
1711 RITTENHOUSE SQUARE
PHILADELPHIA, PA. 19103

(215) 732-3120

THEODORE R. MANN


October 4, 1978

Edward Sanders, Esquire
The White House
Washington, D.C.

Dear Ed:

Here are my remarks in introducing Prime Minister
Begin on September 20. The remarks concerning President
Carter received enormous applause.

Sincerely,



THEODORE R. MANN

TRM:bo

enclosure

OCT 02 1978

Introduction
of the
Prime Minister of Israel,
the Honorable Menachem Begin,
by the
Chairman of the Conference of Presidents of
Major American Jewish Organizations,
Theodore R. Mann

Sept. 20, 1978

My friends, we say from time to time that one is never too old to learn.

It must be so. After all, we are 4,000 years old and we learned just ten months ago that elation can be premature. But it is a hard lesson to learn, and we still find it difficult to temper our joy with the realization that there are still some difficult days ahead.

This is nevertheless a very special time for all Americans and a very special time for Jews the world over. It is therefore doubly so for American Jews.

About America it was once said by that great Zionist, Justice Brandeis -- Mr. Prime Minister, he was the American Justice Barak -- that not since the destruction of the Temple have diaspora Jews in spirit and in ideals been so fully in harmony with the noblest aspirations of the country in which they live. And he predicted too that only by working for the upbuilding of Zion will American Jews develop the best that is in us and give to America the full benefit of our great Jewish inheritance.

We are 2,000 such Americans gathered here today -- from all over this great nation we have come -- but the pride we feel in President Carter for the role he played at the recently renamed Jimmy Carter Conference reflects the feelings of more than 200 million Americans. His awesome competency, his perseverance, his stubborn equation of idealism and realism, have finally begun to do their work: to demonstrate to all Americans what a force for good our great

nation can be in a troubled world.

We are 2,000 Jews gathered here today and because of our own history, ancient and modern, words of praise about a leader of Egypt do not come easily to our lips. But a statesman of great courage has arisen in our generation in the land of Egypt, who for the sake of his own people, for the sake of all the children and grandchildren in the entire middle East, wants the process of peace to begin. His name is Anwar Sadat.

We are 2,000 Jews gathered here today but the pride we feel in a great Jewish leader reflects the feelings of all of America's Jews and Jews the world over. On the night of September 18, I was sitting only a few seats from you, Mr. Prime Minister, and I looked down, as you and Mrs. Begin did, at that sea of faces looking up at you. Who were they? They were the government of the United States of America -- all of its Senators and Congressmen and the leaders of its judiciary and its executives as well -- and representatives of nations the world over -- and they were applauding and cheering the Prime Minister of Israel. I could not help wondering what must have been going through your mind at that moment. For me personally, it was the most moving night of my life.

For 75 generations we have prayed for and dreamed of a sovereign, secure Jewish state, living at peace with her neighbors. A generation ago one-third

of that prayer was answered, and with God's help and the enormous courage of the men, women and children of Israel and its leaders like yourself, a sovereign Jewish State was born. Over the past 30 years under a succession of great Israeli leaders whose names will forever be a part of the great Jewish saga, the second third of that dream came true and Israel became secure, but at enormous sacrifice. Now, under your leadership, the third part of that dream, peace, how sweet it will taste, is on the verge of realization.

Mr. Prime Minister, we are 2,000 Jews painfully conscious of the fact that the great suffering we have witnessed in our time has not fallen evenly on our people; conscious too that the difficult concessions which were necessary to reach this day, likewise will not fall evenly on our people. It is therefore with some reticence that I say -- but say it I must -- that this American Jewish community wholeheartedly and with a unity that is complete, self-evident, and undeniable, supports the agreements that you have negotiated, and will support you in the weeks and months ahead in your continuing search for peace in the Middle East.

And so, the constituent organizations of the Conference of Presidents of Major American Jewish Organizations, their presidents sitting on this dais today, their leaders from cities throughout this vast land who are with us today, and

through them a united American Jewry welcome you and join me, on this eve of

Rosh Hashana, in wishing you and all Israel a Shana Tova U'sh'nat shalom.

May you and all Israel be inscribed in the Book of Life in this New Year of

5739. Yasherkoach.

9:58 AM

THE WHITE HOUSE

WASHINGTON

MEETING WITH SENATOR DICK CLARK

Friday, October 13, 1978

9:58 a.m. (2 minutes)

The Oval Office

From: Stu Eizenstat
Lynn Daft

Sh

C

I. PURPOSE

To inform Senator Clark that you intend to approve the Agricultural Trade Expansion Bill when it reaches your desk.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

- A. Background: The Congress will soon be sending you an enrolled bill on Agricultural Trade Expansion. Similar bills passed both Houses by wide margins, 65-1 in the Senate and 325-62 in the House. Points of disagreement were resolved by a conference committee last week.

Senator Dick Clark, a cosponsor of the Senate bill, discussed it briefly in a meeting with you several weeks ago. If you intend to approve the bill, Senator Clark would very much like to announce that you will be signing it. Although Jim McIntyre is out of town, Eliot Cutler has assured us that OMB will recommend approval of this bill. OMB's concerns with the bill are reflected in the talking points below. All other affected agencies will be recommending approval. We concur in that recommendation. Key provisions of the bill and an evaluation are attached.

- B. Participants: Senator Dick Clark, Frank Moore
Stu Eizenstat, Lynn Daft
- C. Press Plan: White House photographer

III. TALKING POINTS

1. I will sign this bill because it can be useful in promoting farm exports under certain conditions. I know that anything that can be said to encourage farm commodity exports is very popular in farm communities, given present supply and price conditions.
2. But I want you to know that there are aspects of this bill that I am not pleased with, and I will implement it only with care and deliberation.
 - Though this bill says the right words about not starting a credit war, we will be under great pressure to use these credit terms to gain advantage over other countries -- which we both know will lead to that result -- and I hope you will support me in resisting that pressure when it arises.
 - I am not happy with mandated minimums, such as overseas trade offices, where effectiveness remains in doubt. This, together with the potential for adding to the number of overseas employees, to their grades and to their entertainment expenses means that we will proceed with caution in selecting sites and in manning those new posts.
 - The 30-day notification of the Congress (60 days when Congress is not in session) of credit agreements to finance exports to supply reserve stocks, together with requirements for Presidential determinations are simply a prescription for the kind of bureaucratic impediments to efficiency that I've gone to such pains to root out.
3. Nevertheless, I will use the provisions of this bill where appropriate, for breeding stock and to finance the establishment of reserves by the LDCs.

KEY PROVISIONS OF THE AGRICULTURAL TRADE EXPANSION BILL

The major provisions of the bill are these:

Intermediate Credit: Intermediate credit authority defined as a 3-10 year Commodity Credit Corporation (CCC) loans was established for: export of breeding livestock; reserves as part of an international commodity agreement or other stock building plans; to finance market facilities abroad through the proceeds from the sale of U.S. commodities in order to increase import capabilities; and to respond to credit competition from other countries. All authority for intermediate credit is discretionary. This supplements existing authority for short-term (up to 3 years) export credit that is primarily used to finance the commercial export of grain.

Cargo Preference: The bill excludes the cargo preference laws from application to intermediate credit sales.

Credit Eligibility for the People's Republic of China: The bill permits the extension of 3 year CCC credit eligibility to the People's Republic of China. Discretion will still be retained by the Administration in extending such credits.

Trade Offices: The bill directs the establishment of 6 to 20 trade offices of the type we have recently begun to open. The USDA is to establish and operate them, with the cooperation of State. No time requirement was established but report language will indicate that the Congress expects fairly rapid action.

Counselors: The diplomatic title of counselor was established for agricultural representatives abroad with a minimum of ten mandated.

Under Secretary: The position of Under Secretary of Agriculture for International Affairs and Commodity Programs was established and the title of Assistant Secretary of International Affairs and Commodity Programs was abolished.

EVALUATION OF THE BILL

Most of the provisions established or authorized by this legislation are consistent with the actions announced in your export initiatives of September 26. These include intermediate credit and trade offices. While the use of intermediate credit to finance market facilities goes beyond

the Administration's position, this authority remains discretionary. The Administration should make clear that this authority will be used only after convincing evidence is presented that Ex-Im Bank, World Bank and other financial institutions cannot adequately serve this need.

The provision regarding cargo preference is consistent with the Administration's position. To have required that cargo preferences apply would have sharply reduced the effectiveness of such a program because of the higher cost of shipping commodities on U.S. flag vessels.

Although the Administration would have preferred to avoid a mandate to establish a fixed number of trade offices, no time limit is required and suitable criteria are specified for their establishment.

The Administration had stated its opposition to the extension of CCC credit eligibility to other non-market economies not now eligible prior to the passage by the Senate and the House of this legislation. However, since both Houses made these credits available to the People's Republic of China, during the conference the Administration's position was not at issue. Incidentally, Senator Jackson has endorsed this provision.

Despite the shortcomings noted above, the major affected agencies recommend support for this bill in view of its largely discretionary nature, modest budgetary impact, and its overall similarity to Administration goals and objectives. We concur in this recommendation.

THE WHITE HOUSE
WASHINGTON

MEETING WITH SENATOR DANIEL PATRICK MOYNIHAN

Friday, October 13, 1978
10:00 a.m. (15 minutes)
Oval Office

From: Stu Eizenstat *Stu*
Frank Moore *fm/oc*

PURPOSE

You are scheduled to meet with Senator Moynihan for 15 minutes on Friday morning. His major topics will probably be your plans for welfare reform next year, with an emphasis on fiscal relief for high-benefit states, and the tuition tax credit.

I. WELFARE

Background

Senator Moynihan lost badly in his effort to push a welfare bill of which the principal feature was \$3 billion in fiscal relief, coupled with a "block grant" approach to AFDC funding which would reward states for cutting benefits. He withdrew the Moynihan-Cranston-Long proposal at the last moment, when a Finance Committee defeat was certain. His substitute interim fiscal relief measure (over \$400 million in FY 79) was approved in committee but defeated on the floor by Danforth and others.

During this effort, the Senator was repeatedly critical of the Administration for not supporting his efforts, and charged "treachery" in that you allegedly have abandoned welfare reform forever.

Note that although Senator Moynihan agreed to be the chief sponsor of our welfare reform bill, he subsequently switched his position on that legislation back and forth at least four times.

The Senator will probably be pressing for a specific commitment to a fiscal relief figure for a welfare bill to be submitted next year. I suggest you say that any Administration proposal will have substantial fiscal relief, but avoid any specifics. He is likely to say that comprehensive welfare reform cannot pass because of its cost and complexity and we should take reform in "pieces" -- particularly fiscal relief.

Talking Points

1. The Administration opposed the Moynihan-Cranston-Long bill because:

- o We continue to believe that fiscal relief should be tied to substantial improvements in the present welfare structure.
 - o Senator Moynihan's proposal to transform the present AFDC matching structure into a block grant ran counter to our objectives of national minimum benefits, uniform equitable administration, and program coordination.
2. The Administration has not abandoned welfare reform.
- o There was an emerging consensus late last spring which we hope to build upon during discussions in the coming months.
 - o A consensus and a coalition are within reach if Senator Moynihan and others will work with us.
3. We hope to secure broad support for a revised and somewhat more modest package next year.
- o Our major goals are:
 - more emphasis on work and employment opportunities;
 - improved administration, and removal of waste and fraud;
 - two-parent coverage;
 - and, substantial fiscal relief -- although we cannot commit to a specific figure at this time.
4. We hope Senator Moynihan and his staff will work closely with us over the next few months.

II. TAX CREDITS

The House-Senate Conference Committee has reported a higher education-only credit. The Conference Report was recommitted today (Thursday) by the House, which adopted a motion to recommit to Conference with instructions to add a credit for elementary and secondary schools. This probably kills the separate tax credit bill -- although a higher education only credit may be retained in the big tax bill.

The Conference bill includes the following features:

<u>Maximum credit per student:</u>	<u>Total Estimated Costs:</u>
\$100 in calendar 1978	\$433 million in FY 1979
\$150 in calendar 1979	\$780 million in FY 1980
\$250 in calendar 1980	\$896 million in FY 1981

The House also passed today our proposed Middle Income Assistance Act, which should reach your desk shortly.

Talking Points

- o The Administration continues to firmly oppose tuition tax credits for both higher and elementary and secondary education.
- o The higher education tax credit would be far less useful to those in real need than the grant and loan program we proposed.
- o You understand the deep feelings of Senator Moynihan and many members of the Catholic community on tuition tax credits. While you cannot endorse tax credits for constitutional reasons, you hope Senator Moynihan will help us:
 - to find ways to strengthen the usefulness of federal education programs to parochial schools;
 - to establish in the tax code and in other major programs a strong family-based thrust that can be of real help to moderate income families bearing the expense of raising children -- building on the strong commitment to family that characterizes the Catholic Church and many other faiths.

THE WHITE HOUSE
WASHINGTON

10/11/78

Frank Moore

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON

October 13, 1978

done
J

MEMORANDUM FOR THE PRESIDENT

FROM:

FRANK MOORE

F.M.

SUBJECT:

CALLS ON HOSPITAL COST CONTAINMENT

I recommend that you call the following Senators on the hospital cost containment bill which passed last night. As you know, the key vote came on a motion to table the Nelson amendment, and we won by a vote of 47 to 42:

> Gaylord Nelson (D-Wis)

You should thank Senator Nelson for his leadership in both the Human Resources and Finance Committees. He worked closely with Secretary Califano and his aides to develop a good compromise between the Talmadge and Kennedy (Administration) bills. He is excited about the possibility that we can push his hospital cost containment bill through the House in the short time remaining and will probably urge you to talk with the Speaker and other House members about this.

> Ted Kennedy (D-Mass)

As you know, Senator Kennedy's Health Subcommittee reported the hospital cost containment bill in pretty much the same form that we originally proposed. It was killed in the Finance Committee. Realizing that our proposal had little chance of passing the Senate floor, he agreed to join in our strategy which called for his bill to be the stalking-horse for the Nelson amendment. The strategy worked perfectly. He should be thanked for his work in getting our original proposal approved by the Human Resources Committee, for joining and pushing the Nelson amendment when Senate approval of our bill proved impossible.

done
last night

Herman Talmadge (D-Ga)

As you know, Senator Talmadge had his own hospital cost containment bill which applied only to medicare and medicaid but which you endorsed by name and number during the campaign. We believe he feels forsaken at this time; nevertheless, he has been a gentleman and his opposition to the Nelson compromise has been less than enthusiastic. You should let him know that you appreciate the outstanding work he has done over the last four years in stopping fraud and abuse in medicare and medicaid and for developing the method for rational containment of hospital costs on which we were able to build.

*"Excellent quail crop
in Georgia"*

9:30 AM

THE WHITE HOUSE
WASHINGTON

October 12, 1978

C

BILL SIGNING - CIVIL SERVICE REFORM ACT

Friday, 10/13/78

9:30 a.m. (15 Minutes)

State Dining Room

From: Frank Moore *fm/pd*

I. PRESS PLAN

Open Press Coverage

II. PARTICIPANTS

See Tab A

III. SCENARIO

Before you arrive to sign the Civil Service Reform Act, Scotty Campbell will have introduced the following individuals, each of whom will have given a one minute statement recognizing the significance of this legislation:

John Gardner -- will speak representing past Members of the Cabinet and other high government officials.

Ken Blaylock, President, American Federation of Government Employees

Stanton Williams, Chairman of the Board, Pittsburg Plate Glass -- will speak about the Business Roundtable and other business groups who worked on this legislation.

Al Delbello, County Executive, Westchester County -- will speak for the state and local groups.

David Cohen, Common Cause -- will speak for the "good government" groups.

Following your statement (attached), you should recognize the following Congressmen and Senators to say a few words:

MO UDALL

Robert Nix (D-Penna.)

Jack Brooks (D-Texas)

Ed Derwinski (R-Illinois)

Abraham Ribicoff (D-Connecticut)

Charles Percy (R-Illinois)

PARTICIPANTS

Secretary Harold Brown

Senate (Government Affairs Committee)

Abraham A. Ribicoff
Edward Muskie
Lawton Chiles
Sam Nunn
John Glenn
James Sasser
Muriel Humphrey
Charles Percy
Jacob Javits
Patrick Leahy
John Heinz

House of Representatives

Post Office and Civil Service Committee

Robert Nix
Morris Udall
James Hanley
William Ford
William Clay
Patricia Schroeder
Edward Derwinski
John Rousselot
James Collins
Robert Garcia
William Lehman
Stephen Solarz
Cecil Heftel
Leo Ryan

Government Operations

Jack Brooks
Frank Horton

Other Members of the House

Joseph Fisher	Norman Mineta
David Bonior	Leon Panetta
Thomas Foley	Paul Simon
Dan Glickman	Jim Guy Tucker
David Cornwell	John LaFalce
Jim Mattox	
Lloyd Meeds	
Ab Mikva	

Selected Staff Members from the Senate Government Affairs Committee, House Post Office and Civil Service and House Government Operations Committees.

Civil Service Commission

Chairman Alan Campbell
Vice Chairman Jule Sugarman
Vice Chairman Ersa Poston

Other Representatives of the Commission

Eleanor Holmes Norton, Chairman, Equal Employment Opportunity Commission
John Gardner

Labor and Management Representatives

AFL-CIO

George Meany
Tom Donahue
Andrew Biemiller
Ken Meiklejohn
Howard McClennon
Paul Burnsky

Ken Blaylock, President, American Federation of Government Employees
Lou Pellerzi, American Federation of Government Employees
Jim Pierce, President, National Federation of Federal Employees
Bob White, President, National Alliance of Postal and Federal Employees

State and Local Officials

Alan Beals, National League of Cities
Arthur Clarke, Mayor of Waltham, Mass.
Alfred Del Bello, County Executive, Westchester County, N.Y.
Steve Farber, National Governors Association
John Gunther, U.S. Conference of Mayors
Bernard Hillenbrand, National Association of Counties
Joe MacLaughlin, National Governors Association
Earl Mackey, National Conference of State Legislators

Hispanic Representatives

Fabian Chaves, Department of Commerce
William Medina, HUD
Alfredo Montoya, Labor Council for Latin American Advancement
Al Perez, Mexican American Legal Defense Fund
Gilbert Sandate, IMAGE
Eduardo Terrones, American G.I. Forum

Academicians

Robert Biller, Dean, School of Public Administration,
University of Southern California

Brewster C. Denny, Dean, Graduate School of Public Affairs,
University of Washington

Dr. James R. Watson, Professor, Eagleton Institute of Politics,
Rutgers University

Professional and Civic Organizations

Joseph Robertson, NASPAA
Ron Brown, National Urban League
Clarence Mitchell, NAACP
Fred Wertheimer, Common Cause
Maureen Aspin, Common Cause
William Hammill, International Personnel Management Assoc.
Bertrand Harding, National Civil Service League
Richard Hamilton, National Black Veterans Organization
David Brody, B'nai-B'rith

Women's Groups

Christina Kiehl, Women's Lobby
Leslie Gladstone, Women's Equity Action League
Dorothy Nelms, Federally Employed Women

Business

Heath Larry, National Association of Manufacturers
James Johnston, General Motors Corporation
Tom Singer, Kaiser Aluminum and Chemical Corp.
Lloyd Hackler, American Retail Federation
John Post, Business Roundtable
Jack Wooley, PPG Industries
William Wickert, Bethlehem Steel Corp.
Gordon Ochenrider, Grumman Aerospace
Earl Bassett, 3M Company
Bob John Robison, FMC Corporation
Walter Stults, National Association of Small Business
Investment Company
Ray Shockley, American Textile Manufacturers Association
J. Donald Rauth, Martin Marietta
Richard Shinn, Metropolitan Life Insurance Company
Ned Breathitt, Southern Railway System

Abe Bernstein, AMCO Transmission
Raiferd Drew, Lummus Industries
Dennis Holt, Western International Media Corp.

TALKING POINTS

THE WHITE HOUSE
WASHINGTON

10/13/78

Frank Moore
Stu Eizenstat

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
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	NO DEADLINE
	LAST DAY FOR ACTION -

ACTION
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

	VICE PRESIDENT
✓	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
✓	MOORE
	POWELL
	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE

	ARAGON
	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	RAFSHOON
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

THE WHITE HOUSE
WASHINGTON

October 13, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

STU EIZENSTAT *Stu*

SUBJECT:

Hospital Cost Containment

Late last night, Larry Horowitz of Senator Kennedy's staff called to ask your help in getting the Nelson cost containment bill passed in the House. It was attached to H.R. 5285, a minor House passed measure. Larry suggested that a call to the Speaker and then to Chairman Delaney to give it a rule today could bring it to the floor.

I would strongly recommend this as a strategy -- after you check with Frank Moore to make sure this does not interfere with anything else. I believe that if cost containment is brought to the House floor it will be difficult to vote against. I am afraid if we don't move today, it will be too late.

cc: Frank Moore

*Must stick
E W & M
C*

THE WHITE HOUSE
WASHINGTON

10/13/78

Tim Kraft
Jim Gammill

The attached was returned in
the President's outbox today
and is forwarded to you for
appropriate handling.

Rick Hutcheson

cc: Hamilton Jordan

	FOR STAFFING
	FOR INFORMATION
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	LAST DAY FOR ACTION -

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	SECRET
	EYES ONLY

	VICE PRESIDENT
	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	WEXLER
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	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

THE WHITE HOUSE
WASHINGTON

October 12, 1978

C
1

MEMORANDUM FOR THE PRESIDENT

FROM:

TIM KRAFT *TK*
JIM GAMMILL *Jim G*

SUBJECT:

Roosevelt Campobello International
Park Commission

The Roosevelt Campobello International Park Commission has six representatives. Three representatives are appointed by the Canadian Government and three are appointed by the United States Government.

The President appoints all three U. S. Representatives, but one of them must be recommended by the Government of Maine. There are three alternate representatives for the United States appointed in the same manner.

Franklin Roosevelt, Jr. is resigning as a Representative to the Commission so that we might appoint Armand Hammer to his position. Grace Tully is resigning as an Alternate so that Franklin Roosevelt, Jr. might have her position.

RECOMMENDATION:

Appoint Armand Hammer as a Representative and Franklin Roosevelt, Jr. as an Alternate to the Roosevelt Campobello International Park Commission.

✓ approve

 disapprove

J

List of Members

Chairman: Senator Edmund Muskie

U.S. Members: Franklin D. Roosevelt, Jr.
Curtis Hutchins (Government of Maine)

U.S. Alt.: Grace Tully (Secretary to FDR in
the White House)
James H. Rowe, Jr. (Attorney and
Assistant in the White House)
Lawrence Stuart (Government of Maine)

2:30 PM

THE WHITE HOUSE

WASHINGTON

October 13, 1978

PARTICIPATION IN THE NATIONAL
ALLIANCE OF BUSINESS ANNUAL MEETING

Friday, October 13, 1978
2:30 p.m. (10 minutes)
Press Briefing Room

From: Stu Eizenstat *Stu*

I. PURPOSE

You are scheduled to participate in the Annual Membership Meeting of the National Alliance of Business for approximately 10 minutes on Friday, October 13. This year's meeting is particularly important because of the major role NAB is playing in implementing our new Private Sector Initiative Program (PSIP).

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

- A. Background: The major new employment initiative we put forward this year is the \$400 million Private Sector Initiative proposed as a new Title VII in the reauthorization of the Comprehensive Employment and Training Act (CETA). This legislation authorizes CETA prime sponsors to establish Private Industry Councils with representatives from business and labor. These councils will ensure that business and industry work closely with the entire CETA program to provide the unemployed with maximum access to private sector job opportunities.

Your targeted tax credit for disadvantaged young workers is included in both House and Senate passed tax bills. This program has received broad bipartisan support in Congress. The House and Senate have just successfully concluded a conference on the authorizing legislative for the entire CETA program and we expect both Houses to pass the conference report shortly.

Last May we launched the Private Sector Initiative with a White House briefing and dinner for members of Congress and representatives of the business, labor and civil rights communities. At the meeting

you asked NAB and its Chairman, Ruben Mettler, to provide national leadership within the business community and technical assistance at the local level to make this "new partnership" a success.

Your participation in Friday's meeting is important in confirming the Administration's commitment to this program and support of the role that the NAB has been asked to play.

- B. Participants: The approximately 150 participants will include local NAB Metro Chairmen from 122 cities plus the ten Regional Chairmen and members at large who comprise the Board of Directors. Prominent board members who will attend include:

Ruben Mettler, Chairman and Chief Executive Officer of TRW and this year's Chairman of the NAB;

Lloyd Hand, President and Chief Executive Officer of NAB (Vice President of TRW on loan to NAB);

Benjamin Hooks, Executive Director of the NAACP;

Vernon Jordan, President, National Urban League;

Mrs. Coretta Scott King

Ambassador Sol Linowitz

V.J. Skutt, Chairman and Chief Executive Officer of Mutual of Omaha

(A full list of board members attending is attached)

C. Press Plan

- The Board will be seated in the front row of the auditorium. The schedule calls for you to shake hands and pose for a quick picture with each of the Board as you walk past the front row on the way to the podium.
- The press will cover the meeting and be located at the back of the auditorium.
- Photos will also be taken as you present three Presidential citations at the conclusion of your remarks.

III. TALKING POINTS

Your statement is approximately 5 minutes in length and reaffirms your personal commitment to PSIP and the NAB.

It has been standard procedure for years to give "Presidential Citations" to outgoing Metro Chairman. NAB has asked that you personally present citations at the board meeting to the following at the conclusion of your statement:

G. William Miller (former Chairman of the NAB)

Bob Charles (former President of NAB), and

Bob Wilson, Secretary-Treasurer for nine years

Remarks for the Presentations

1. I know you have a lot of business to attend to this afternoon. But before I leave, I would like to take this opportunity to personally present Presidential citations to three people who have served NAB.
2. I wish I could personally present all of the NAB citations I sign. The dedicated service each of you have given to our nation through your association with the National Alliance of Business deserves the highest praise and admiration. Today I am presenting citations to my good friend Bill Miller, to Bob Charles, who served as NAB President while Bill was Chairman, and to Bob Wilson, who served as Secretary-Treasurer for nine years. My sincere appreciation goes to them and to the many thousands of business executives throughout the country whose voluntary efforts form the underlying strength of the Alliance.

BOARD OF DIRECTORS

October 13, 1978

Dr. Ruben F. Mettler
Chairman & Chief Executive Officer
TRW, Inc.
23555 Euclid Avenue
Cleveland, Ohio 44117

Mr. Lloyd N. Hand
President & Chief Executive Officer
National Alliance of Business
1730 K Street, N. W.
Washington, D. C. 20006

Mr. C. Howard Burnett
Executive Vice President
Union Pacific Railroad
777 Pittock Block
921 S. W. Washington Street
Portland, Oregon 97205

Mr. Samuel L. Foggie, President
United National Bank of Washington
3940 Minnesota Avenue, N. E.
Washington, D. C. 20019

Mr. Grant L. Hansen, President
Systems Development Corp.
2500 Colorado Avenue
Santa Monica, California 90406

Mr. Benjamin Hooks, Executive Director
National Association for the
Advancement of Colored People
1790 Broadway
New York, New York 10019

Mr. Preston Jordan, Senior Vice President
Rhode Island Blue Cross & Blue Shield
444 Westminster Mall
Providence, Rhode Island 02903

Mr. Vernon E. Jordan, Jr., President
National Urban League
500 East 62nd Street
New York, New York 10021

Mrs. Coretta Scott King, President
Martin Luther King, Jr. Center
for Social Change
671 Beckwith Street, S. W.
Atlanta, Georgia 30314

Mr. Roger Lewis
Senior Vice President
Loeb Rhoades, Hornblower & Co.
14 Wall Street
New York, New York 10005

Ambassador Sol M. Linowitz
Senior Partner
Coudert Brothers
1 Farragut Square
Washington, D. C. 20036

Mr. William G. Murphy
Vice President, Urban Affairs and
Intercompany Personnel
Mutual of Omaha Insurance Company
3301 Dodge Street
Omaha, Nebraska 68131

Mr. V. J. Skutt
Chairman and Chief Executive Officer
Mutual of Omaha Insurance Companies
3301 Dodge Street
Omaha, Nebraska 68131

Mr. David P. Reynolds
Chairman and Chief Executive Officer
Reynolds Metals Company
6601 Broad Street Road
Richmond, Virginia 23261

Mr. Thomas J. Stanton, Jr.
Chairman and Chief Executive Officer
First Jersey National Bank
2 Montgomery Street
Jersey City, New Jersey 07302

Mr. George Sullivan
President
Commercial Telecommunications Group
Rockwell International
Post Office Box 10462
Dallas, Texas 75207

REMARKS AT ANNUAL MEETING OF NATIONAL ALLIANCE OF BUSINESS
October 13, 1978

Secretary Marshall, Chairman Mettler, Board Members,
Metro Chairman, Ladies and Gentlemen:

The National Alliance of Business was born in the
White House, and it is very nice to have you back here on
your tenth birthday.

A few of you who are here today were around ten years
ago, and you remember the zeal and enthusiasm with which NAB
set about tackling one of the most serious and unyielding
problems of modern industrial society -- finding productive
work for people who are outside the mainstream.

For many, the problem is having the wrong skills -- or
no skills. For others, it is being too young or too old, the
wrong sex or the wrong race, being handicapped by poverty or
poor education, or a criminal record.

The paradox -- the dilemma -- is that while these
people search for work, jobs are going begging.

Sometimes because seekers don't know how to find them.

Sometimes because they aren't trained for them.

Sometimes because they simply aren't trained to get up
in the morning -- they don't know how to set an alarm clock,
find the right bus, change a dollar, fill out a job application.

Like most good ideas, the NAB idea was simple: take
senior executives on loan from their companies, and Federal
managers on loan from their Departments, and put them
together doing what each does best.

Historically, those who need jobs the most are the last
to find them. NAB rewrote that history. The idea worked.

In its first ten years the Alliance found several
million private sector job slots for left-out Americans.

Two million disadvantaged youngsters had their first exposure
to the satisfaction of productive work in the NAB summer job
program.

NAB had its ups and downs in those ten years, but this significant partnership of government and business has never lost sight of its original goal.

It's because of that history, and that commitment, that I asked the Alliance to help with my new private sector jobs program.

When unemployment is unusually high -- as it was when I took office -- it is appropriate for government to be an employer of last resort. But when the economy improves and unemployment goes down -- as it has done so dramatically since 1977 -- the proper place to look for jobs is in the private sector.

Five out of six jobs in this country are in the private sector. To help disadvantaged job seekers -- CETA participants -- find these jobs, we are adding \$500 million to the CETA program for a new Private Sector Initiative Program.

I have asked the Alliance to help in this effort.

The Private Sector Initiative Program will save a lot of wasted effort -- for the first time, potential employers

will be intimately involved in the design of programs that train people for jobs in business and industry.

Those who represent the demand side of the labor market will assist government in shaping the supply side of the labor market to fit their needs, and the needs of our people.

Private Industry Councils will bear considerable responsibility here. They will serve as the vehicle for employment and training decisions at the local level and, in some cases, they will operate the local programs.

The Private Industry Councils will make our cooperative effort more flexible, more innovative and -- above all -- larger in scope and vision, so that our Federal dollars will provide jobs for many more hard-to-employ people -- and that is our goal.

I am pleased that the Alliance has volunteered to participate in the Private Sector Initiative Program.

Like NAB, PSIP is based on voluntary cooperation between private business and the government. It is essential

to your communities -- and to the nation -- that you join us
in this task. We all pay the cost of unemployment -- in lost
productivity, in higher taxes, in rising crime rates.

And in the wasted, futile lives of too many of our
citizens.

I hope everyone here will participate in their local
Private Industry Council. I hope everyone here will act as
a catalyst, ~~a virulent catalyst~~, for equal opportunity in
the job market.

In our free economy, private business is the best answer
to unemployment. Disadvantaged young people -- and older
people -- need only skills -- and a chance -- to take their
place in society, to share the benefits of our expanding
economy. Let's work together to give them that chance.

Thank you.

Bill Miller
Bob Charles
Robert Wilson # # #

THE WHITE HOUSE
WASHINGTON

Phil has
seen

THE WHITE HOUSE
WASHINGTON

OCTOBER 13, 1978

MR. PRESIDENT:

STU, MICHAEL BLUMENTHAL AND
CHARLIE SCHULTZE NEED TO SEE YOU
FOR TEN MINUTES AS SOON AS THE
EDITORS MEETING CONCLUDES.

APPROVE _____ DISAPPROVE _____

 PHIL

(RE TAX AND SUGAR)

THE WHITE HOUSE
WASHINGTON

Phil has
seen

THE WHITE HOUSE
WASHINGTON

FRIDAY - OCT. 13, 1978

MR. PRESIDENT

SECRETARY VANCE AND PAUL WARNKE WOULD
LIKE TO COME IN AT 3:45 P.M. FOR
10 MINUTES.

APPROVE ✓ DISAPPROVE

PHIL

earlier?

J

THE WHITE HOUSE
WASHINGTON

10/13/78

Charlie Schultze

The attached was returned in
the President's outbox today
and is forwarded to you for
appropriate handling.

Rick Hutcheson

	FOR STAFFING
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	VICE PRESIDENT
	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE

	ARAGON
	BOURNE
	BUTLER
	H. CARTER
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	CRUIKSHANK
	FALLOWS
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	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	RAFSHOON
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

10/13/78

Schaltze -
info
J

Mr. President --

I had dinner with Marvin Warner last night. During part of the conversation he said that he didn't know if your administration was aware that instead of bringing in foreign money when they invested in our country... ^{a lot of} overseas investors were buying in the States, borrowing American dollars, and sending the dividends overseas. ~~He~~ He called Dick Cooper in State, and Tony Solomon in Treasury and talked to them; both ~~He~~ said that it was interesting; they didn't have any figures on it. ~~and~~ ~~Marvin~~ ~~Marvin~~ Marvin said that there is concern about it in the business community....and that he knows of at least two instances during your administration which alone involved 3/4 billion....and he had heard an overall figure which was enormous.

Also, he didn't know if anything could be done, but in talking to a banker overseas, the banker himself said that they felt another bank had made a \$6 billion investment in dollars/futures, vs. swiss francs.... which, if combined with other similar efforts may have deliberately and may continue to affect the dollar.

I am not a businessman, or an economist....so I don't know if this is helpful or not.

-- Susan

This is a
problem we
should
address

THE WHITE HOUSE
WASHINGTON

10/13/78

Mr. President:

OMB disagrees with Secretary Adams' numbers - and believes that the numbers given to you yesterday are accurate.

OMB will be providing you with further information in the future.

Rick

THE WHITE HOUSE
WASHINGTON

October 13, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

STU EIZENSTAT
BILL JOHNSTON

Sh

SUBJECT:

Adams Memo on Highway Transit Bill

I share Secretary Adams' concern that we not make any public statements giving our estimate of the "time" cost of the bill, or indicating our intentions to sign or veto it. There is genuine disagreement over the spending levels entailed in this bill. My own preliminary judgment is that the spending in the bill is somewhat above the \$52.4 billion figure discussed with the conferees, but not as much as OMB argues. But until we can give you a detailed explanation of exactly what the bill entails, I urge you to suspend judgment on it.

NOTE: Secretary Adams may call you today on this subject.

ADMINISTRATIVELY CONFIDENTIAL



THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

October 13, 1978

MEMORANDUM FOR THE PRESIDENT

THROUGH: Rick Hutcheson, Staff Secretary
FROM: Brock Adams
SUBJECT: Highway Transit Bill

I was very concerned when you called me yesterday and indicated that you had a report that the Highway Transit Bill figures were in the range of \$55 billion.

As you know, I had a meeting with Stu and representatives of OMB at the White House at 10:30 a.m. yesterday, and we were all in agreement that no figures should be used with regard to the Bill until we had an opportunity to examine the actual conference report and that you should not be put in a position of having to either declare the Bill good or bad until after the staff work has been completed and we can all make a presentation to you. As I indicated to you on the telephone yesterday, a figure of \$55.6 billion does not truly reflect what has happened.

The first comments in the press are indicating that you have been successful in lowering the Bill from \$67 billion to the low \$50's, and our first reports from the Budget Committees indicate they believe the bill is satisfactory.

The key factors are whether the Trust Fund revenues will cover the Trust Fund expenditures and the degree of controllability of expenditure by appropriation which can be controlled year by year during the four years.

The Public Works Committees have stated their agreement on a figure of \$51 billion, well below the figures we discussed with the conferees. As with so many of these bills, it is very difficult to agree on an accurate figure. However, the Bill, as we see it, includes approximately \$34 billion of Trust Fund contract authority (as compared with your request of \$33 billion) and approximately \$17 billion in appropriations. The Trust Fund expenditures are well within the Trust Fund revenues. The appropriations will be made year by year over the next

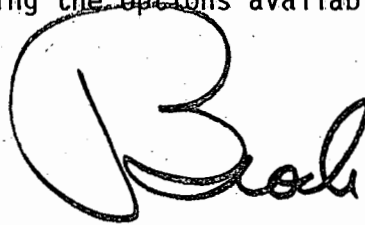
four years. These are classically controllable expenditures, which will receive the closest scrutiny in the budget and appropriations process, including your veto power. We can very realistically assume that the appropriations process will plan our spending into the \$52 and \$53 billion range we discussed with the conferees.

The bill is a good one. It contains approximately 70% of the reforms we advocated. Frankly, I have serious doubts that the entire amount authorized in the Trust Fund in categories with long lead times, such as bridges, can be spent during the four years.

We are, therefore, dealing with a bill that can be made to fit within the figures we talked about through use of the appropriations process. I am sending you this memorandum so you will know the very complex problems involved in analyzing the figures. None of us assume this is a \$55.6 billion bill, even though there is a budgetary scenario that could show such numbers as a hypothetical possibility. For example, if the fourth year of the Trust Fund were to be changed by later Congressional action, this will also be subject to your veto.

We will work with OMB and Stu's office to give you a detailed analysis as the specific figures and specific language become available from conference report which has not yet been filed.

I am deeply concerned you will receive a number of telephone calls today and tomorrow, and I endorse Stu's view that we should all indicate the true situation that we are examining the figures and numbers and you have not taken a firm position and will not until we have had a meeting with you outlining the options available within the bill.

A large, stylized handwritten signature, likely "Bob", in dark ink. The signature is written in a cursive, flowing style with a large initial 'B'.

cc: Stu Eizenstat
Jim McIntyre



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

9
1

October 12, 1978

MEMORANDUM FOR: THE PRESIDENT
FROM: James T. McIntyre, Jr. *Jim*
SUBJECT: Highway and Transit Conference

The highway and transit authorization bill has been ordered reported out of conference committee. Technically, the committee has authorized \$51.0 billion for the 1979-1982 period, but in real terms the authorizations equate to about \$55.6 billion.* This compares to a \$52.4 billion figure discussed by Secretary Adams in your meeting with the conferees. The gap between the \$51.0 billion and \$55.6 billion is as follows:

Ordered reported out of committee.....	\$51.0 billion
Programs which do not technically require authorizations but which are part of the Administration's totals:	
-- Interstate transfers.....	+\$ 2.8 billion
-- Highway Emergency Relief.....	+ 0.4 billion
Subtotal.....	<u>\$54.2 billion</u>
"Gimmick" cut in 1982 highway funds which will be restored by Congress in subsequent years.....	+\$ 1.4 billion
	<u>\$55.6 billion</u> ←

The last entry requires explanation. In an attempt to reduce total authorizations to a level approximating our \$52.4 billion figure, the House Public Works Committee conferees proposed a \$1.4 billion cut in 1982 highway trust fund authorizations. Consequently, trust fund authorizations would be \$8.5 billion in 1979, \$9.0 billion in 1980, \$9.5 billion in 1981, but



*Exact totals will not be available until the committee's report is issued.

only \$8.2 billion in 1982. Clearly, it is the intent of the House conferees to provide supplemental funds for 1982 at a later date.

Tab A compares the authorizations in the various versions of the bill. At an extrapolated \$55.6 billion level, the conference mark exceeds our request by \$7.2 billion over the four year period. Most of that increase (\$4.0 billion) is associated with highway trust fund authorizations which do not require subsequent appropriations action prior to availability (i.e., a form of "back door" financing). We estimate the multi-year outlay impact of the conference action to be as follows:

Outlays in Excess of Current Estimates
(dollars in millions)

<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>Total</u>
+ 150	+1050	+1200	+1900	+4,300

Policy problems in the bill were partially resolved in conference. The "Buy American" and highway beauty provisions were improved somewhat, although not nearly as much as we would have liked, and the one House veto provision was dropped. On the other hand, we failed to achieve meaningful consolidation of highway and transit categories (the bill adds many more than the status quo) and did not succeed in having interstate funds focused on identified essential gaps. Also, we failed to delete the addition of 125 miles of Appalachian corridor highways.

HIGHWAY AND TRANSIT BILL COMPARISON OF AUTHORIZATIONS
(Dollars in Billions)

	1979 - 1982 Totals				
	<u>Administration</u>	<u>House</u>	<u>Senate</u>	<u>Technical Conference Levels 3/</u>	<u>Extrapolated Conference Levels 3/</u>
Highways Total	33.9	44.4	35.5	37.4	39.1
Trust Fund Highways (primarily contract authority)	(32.7)	(41.0)	(33.8)	(34.9)	(36.7)
General Fund Highways	(--)	(2.2)	(0.4)	(1.2)	(1.2)
General Fund, Non-DOT Highways <u>1/</u>	(1.2) <u>2/</u>	(1.2)	(1.2)	(1.2)	(1.2)
Transit Total	<u>14.4</u>	<u>16.9</u>	<u>15.7</u>	<u>13.6</u>	<u>16.4</u>
Total Bill	48.4	61.3	51.1	51.0	55.6
Increases Over Administration	xxxx	+12.9	+2.8	+2.6	+7.2

1/ Not expected to receive subsequent appropriations from these authorizations. Includes Forest Development Roads and Trails, Public Lands Roads and Trails, Park Roads and Trails, Parkways, and Indian Reservation Roads and Bridges.

2/ Not in Administration bill, but displayed here for comparability purposes.

3/ A \$52.4 billion figure was discussed as a bottom-line figure at your Tuesday meeting with the conferees. That figure included about \$15.7 billion for transit (including Interstate transfers) and \$36.7 billion for all highways, of which about \$34.4 was for trust fund programs.

MAJOR CONGRESSIONAL BUDGET THREATS*
OUTLAYS
(in millions of dollars)

Bill	Status	Change to Administration's request				Total 1979-1982
		1979	1980	1981	1982	
Highway/Transit Legislation (H.R. 11733).....(C)	Conference completed	150	1,050	1,200	1,900	4,300
SBA authorization <u>1/</u> (H.R. 11445).....(D).....(C)	Conference report filed	513	658	751	964	2,886
Labor/HEW appropriations bill <u>2/</u>(C)	Conference report filed	170	671	736	750	2,327
Health Planning Amendments (H.R. 2410).....(D).....(S)	Senate passed	462	706	707	---	1,875
Interior appropriations bill.....(C)	Enrolled	179	367	631	641	1,818
Child Health Assessment Program (H.R. 13611) <u>3/</u>(H)	Reported to the House	279	334	391	474	1,478
Rehabilitation Services Act (D) (H.R. 12467) <u>4/</u>(M)	Conference report filed	202	449	610	---	1,261
Fiscal Relief to States, Title V (H.R. 7200) <u>5/</u>(H)	House passed	523	606	---	---	1,129
Agriculture appropriations bill.....(C)	Enacted	141	210	217	241	809
Energy and Water Development <u>6/</u> appropriations bill.....(C)	Vetoed	132	206	282	166	787
Older Americans Act (H.R. 12255) <u>4/</u>(D).....(C)	Enrolled	66	256	404	---	726
Veterans Pension Reform (H.R. 10173).....(C)	Conference report filed	-106	175	205	204	478
Nurse Training Act (S. 2416).....(D).....(H)	Conference scheduled	104	314	---	---	418
Total.....		2,815	6,002	6,134	5,340	20,292
(D) - discretionary						

* This table excludes questionable tax measures, such as the Tuition Tax Credit Act.

(C)Conference numbers.

(S)Senate numbers.

(H)House numbers.

(M)Midpoint of House and Senate numbers.

1/ These estimates include only discretionary programs. Disaster loan authorizations are open-ended but are estimated to be close to our request and therefore excluded from this table.

2/ Estimates for Basic Education Opportunity Grants are excluded from this table.

3/ The bill is expected to move rapidly in the House and Senate before recess.

4/ These bills provide many potentially costly open-ended "such sums" authorizations which are not included in these figures.

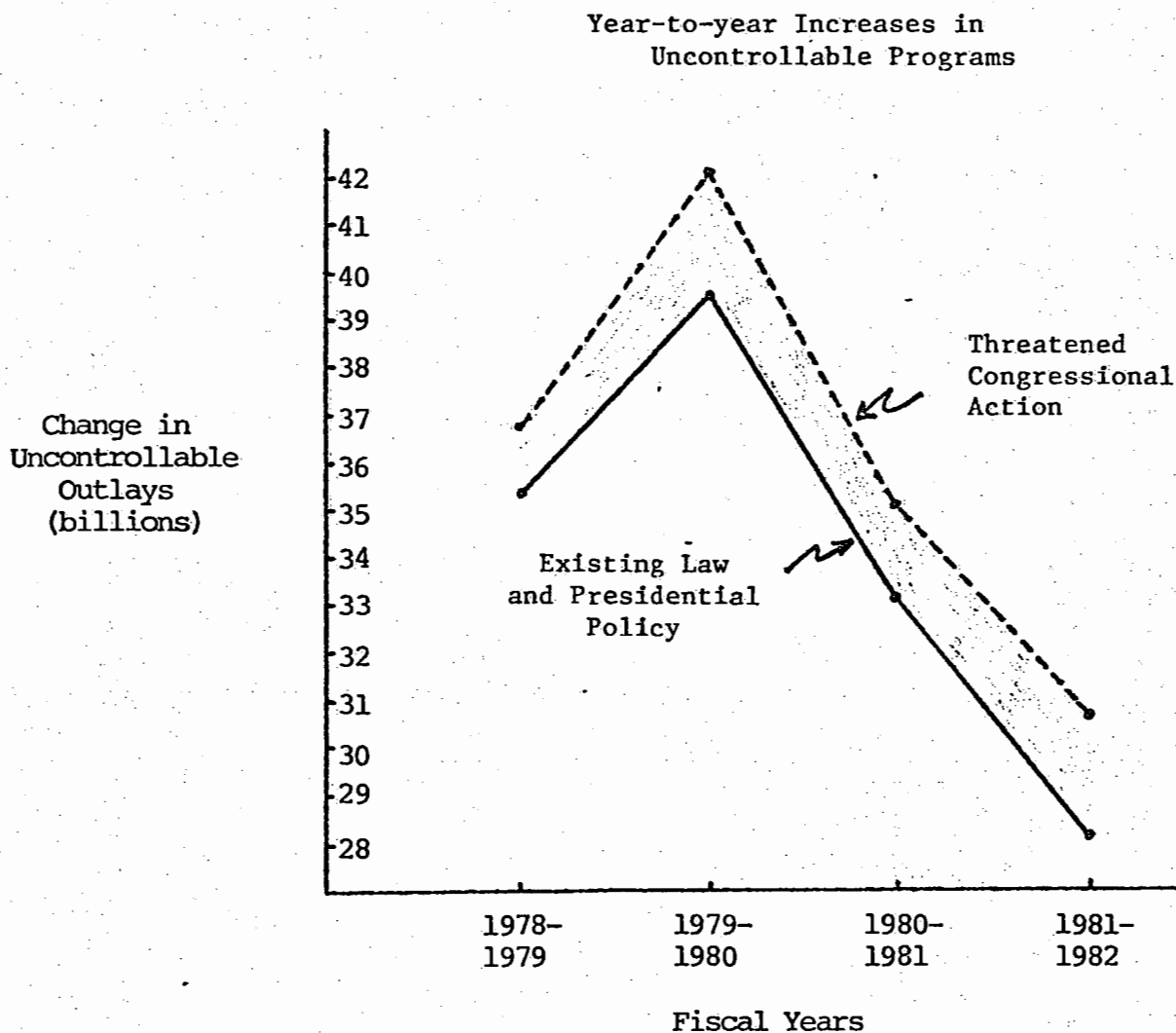
5/ H.R. 7200 is not expected to be acted upon this year.

6/ These estimates reflect Senate Appropriations Committee's version to be included in the continuing resolution.

CONGRESSIONAL THREAT TO INCREASE UNCONTROLLABLE OUTLAYS

"Uncontrollable" outlays represent approximately 76% of the President's Budget for Fiscal Year 1979. The proportion of these outlays continues to increase. As shown in the following chart, actions that the Congress is now considering will add further to the uncontrollable nature of the Budget.

Under existing law and Presidential policy, the rate of increase in uncontrollable outlays will slow in 1981 and 1982. Pending congressional action will eliminate a significant part of the reduction.





EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

OCT 12 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

James T. McIntyre, Jr.

W. Summer Rutherford (fr)

SUBJECT:

Your Questions on the Highway Trust Fund

Current Status of the Highway Trust Fund

The current cash balance in the highway trust fund is about \$12 billion. Cash balance is a measure of receipts against expenditures. It is a function of cash flow. However, we have over \$19 billion in unpaid (i.e., unobligated or unexpended) highway trust fund authorizations. In short, if the highway trust fund were to be terminated today and previously-authorized funds were to continue to spend out, we would have a \$7 billion trust fund deficit.

Does the Trust Fund Help Us Balance the Budget?

Under the unified budget concept, if trust fund revenues exceed trust fund expenditures, it helps us balance the budget. In 1978, revenues will exceed expenditures by over \$1 billion. However, there is no "loss" to the trust fund resulting from this accounting technique. Interest accrued from the trust fund balance is plowed back into the trust fund. In 1978, the interest on the balance is about \$650 million. These receipts, including interest, can then be reapplied to highway trust fund programs.

Comparison of Receipts With Proposed Authorizations

The conferees deleted a Senate provision which would have matched new authorizations with trust fund receipts. The table below shows how authorizations compare with revenue estimates.

(dollars in billions)

	<u>Trust Fund Receipts</u>			<u>Trust Fund Authorizations</u>	
	<u>User Tax Receipts*</u>	<u>Estimated Interest</u>	<u>Total Income</u>	<u>\$52.4B Bottom Line</u>	<u>\$55.6B Conference Mark</u>
1979 ..	7.3	0.7	8.0	8.2	8.5
1980 ..	7.6	0.7	8.3	8.4	9.0
1981 ..	8.0	0.7	8.7	8.6	9.5
1982 ..	<u>8.2</u>	<u>0.7</u>	<u>8.9</u>	<u>8.8</u>	<u>9.7</u>
Total ..	31.1	2.8	33.9	34.0	36.7

* The Treasury Department has computed these user tax receipts. Both DOT and CBO have argued that these revenue estimates are too high.

Additionally, it is important to note that the Congress has failed to adopt our proposal to fund all DOT highway programs out of the trust fund. Instead, the conferees have chosen to authorize about \$1.2 billion of DOT highway programs out of the general fund. If this \$1.2 billion were included in the trust fund authorizations, the excess of authorizations over revenues would be higher than shown above.

Conclusion

Based on the above, we believe that it is unfair and incorrect to allege that trust fund revenues have been or are being diverted to support general fund programs. Additionally, you will note that trust fund authorizations approximately equal receipts based on \$52.4 billion total program level and exceed revenues by \$2.8 billion or more based on a \$55.6 billion program level.

THE WHITE HOUSE
WASHINGTON

THE WHITE HOUSE
WASHINGTON

OCTOBER 13, 1978
FRIDAY - 3:10 P.M.

MR. PRESIDENT

MR. KIRBO CALLED AND WOULD
LIKE YOU TO RETURN THE
CALL BEFORE 3:30 P.M.

PHIL

*Sprague /
D. H.
Kranich*

THE WHITE HOUSE
WASHINGTON

OCTOBER 13, 1978
3:30 P.M. FRIDAY

MR. PRESIDENT

FRANK CALLED.

VOTE WAS 207 to 205.

GOING IMMEDIATELY TO THE
RULE.

WE WON IT IN THE WELL.

Tom Egan

PHIL

FRIDAY - OCTOBER 13, 1978
2:15 P.M.

MR. PRESIDENT

SECRETARY VANCE AND PAUL

WARNKE WILL BE HERE AT

3:00 P.M. TODAY.

PHIL

*Wed date
Backfire*

THE WHITE HOUSE
WASHINGTON

THURSDAY - OCTOBER 12, 1978
6:05 P.M.

MR. PRESIDENT

SECRETARY BROWN CALLED.

HE HOPES YOU CAN RETURN

THE CALL TONIGHT.

PHIL

THE WHITE HOUSE
WASHINGTON

FRIDAY - OCTOBER 13, 1978
11:10 A.M.

MR. PRESIDENT

SENATOR MUSKIE CALLED.

PHIL

555/440 is accurate

\$600 mil = Ceilings on

19 functions

*Denton/Randolph will try
to live in Senate figures -*

*9/ Jennings faces, Gravel & Edman
Pub. Lts.*

C/

THE WHITE HOUSE
WASHINGTON

October 13, 1978

MR. PRESIDENT

THE HUMPHREY-HAWKINS CLOTURE VOTE
HAS BEEN PUT OFF UNTIL NOON.

CRANSTON IS NEGOTIATING -- IS
PROBABLY GOING TO SELL OUT TO LABOR
AND TAKE A BILL AT ANY COST.
I TALKED TO SAM NUNN ABOUT THE
CLOTURE VOTE AND HE SAYS HE WILL GO.
I WILL TELL MRS. KING THAT YOU DID IT.

ANY OTHER CLOTURE CALLS YOU COULD
MAKE BEFORE NOON WOULD PUT US IN
A GOOD POSITION WITH THE FULL
EMPLOYMENT GROUP.

FRANK

THE WHITE HOUSE
WASHINGTON

REPORT ON Humphrey-Hawkins

We just won on the Muskie amendment to the Proxmire amendment. The Proxmire amendment would have required that federal expenditures be no greater than 21% of GNP in 1981 and 20% for each year thereafter.

Muskie amendment simply provided that expenditures comprise the lowest possible percent of the GNP with no figures or dates stated.

The Muskie amendment carried by a vote of 56-34.

We do not expect a vote on inflation goals until tonight.

From Dan Tate

10/13
3:55 p.m.

THE WHITE HOUSE
WASHINGTON

51

MR. PRESIDENT

THE SPEAKER WENT TO GILLIS LONG
AND ASKED HIM TO RELEASE BERNIE
SISK FROM HIS COMMITMENT. GILLIS
HAS DONE THIS. WE ARE NOW FIRING
UP CLAUDE PEPPER. IF IT HOLDS
TOGETHER FOR THE NEXT 30 MINUTES,
WE WIN BY ONE VOTE WITHOUT
CHILSON.

FRANK MOORE

THE WHITE HOUSE
WASHINGTON

October 13, 1978
1:00 p.m.

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *F.M.*

FYI

1. The Ways and Means Committee does not have a quorum. They are going back in at 2:00 on taxes. Hospital cost containment will come up at the call of the Chair--in other words when we have a quorum and the right votes.

I have Bob Beckel, Terry Straub and Val Pinson working on getting the necessary quorum.

2. The Speaker is very interested in heading the delegation to Rome for the Pope's coronation if he can take Millie. We have promised he can take Millie, although no other spouses would be allowed in the delegation. If you have occasion to talk with him anytime within the next several days, you might mention again your desire to have him represent the U.S. government.

THE WHITE HOUSE
WASHINGTON

October 13, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT *Stu*
SUBJECT: Hospital Cost Containment

Late last night, Larry Horowitz of Senator Kennedy's staff called to ask your help in getting the Nelson cost containment bill passed in the House. It was attached to H.R. 5285, a minor House passed measure. Larry suggested that a call to the Speaker and then to Chairman Delaney to give it a rule today could bring it to the floor.

I would strongly recommend this as a strategy -- after you check with Frank Moore to make sure this does not interfere with anything else. I believe that if cost containment is brought to the House floor it will be difficult to vote against. I am afraid if we don't move today, it will be too late.

cc: Frank Moore

THE WHITE HOUSE

WASHINGTON

October 13, 1978

1

MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER *HC*

SUBJECT: Weekly Mail Report (Per Your Request)

Below are statistics on Presidential and First Family:

<u>INCOMING</u>	<u>WEEK ENDING 10/6</u>	<u>WEEK ENDING 10/13</u>
Presidential	24,600	21,570
First Lady	1,295	1,340
Amy	140	170
<u>Other First Family</u>	<u>85</u>	<u>110</u>
TOTAL	26,120	23,190

BACKLOG

Presidential	5,745	9,015
First Lady	215	215
Amy	0	0
<u>Other</u>	<u>0</u>	<u>0</u>
TOTAL	5,960	9,230

DISTRIBUTION OF PRESIDENTIAL MAIL ANALYZED

Agency Referrals	7%	7%
WH Correspondence	54%	54%
Unanswerable Mail	18%	15%
White House Staff	5%	7%
Greetings Requests	15%	15%
<u>Other</u>	<u>1%</u>	<u>2%</u>
TOTAL	100%	100%

NOT INCLUDED ABOVE

Form Letters	893	1,295
Form Post Cards	4,625	4,125
Mail Addressed to White House Staff	18,329	17,255

cc: Senior Staff

MAJOR ISSUES IN
CURRENT PRESIDENTIAL ADULT MAIL
Week Ending 10/13/78

ISSUES	PRO	CON	COMMENT ONLY	NUMBER LETTERS
Support for the Amendments to the Rehabilitation Act of 1973 HR 12467	99%	1%	0	1,184
Support for President's Veto of 1978 Public Works Bill (1)	98%	2%	0	724
Support for Appointment of Sarah Weddington	1%	99%	0	508
Support for Treatment of Jehovah's Witnesses in Argentina	2%	98%	0	374
Support for Proposed IRS Guidelines for Determining Tax Exempt Status of Private Schools (2)	0	100%	0	300
Support for President's Success at Middle East Summit Conference	87%	12%	1%	173
Support for Aid to Nicaragua	4%	96%	0	163
Support for Reassessment of RARE II Program	90%	10%	0	142
Support for Extending the Deadline for the Ratification of the Equal Rights Amendment HJR 638	51%	49%	0	135
Support for Establishment of International Emergency Wheat Reserve HR 13835	100%	0	0	118
	Total			3,821

(See Notes-Attached)

THE WHITE HOUSE
WASHINGTON
October 13, 1978

C
/

Phil:

The President called wanting information on hospital cost containment in the House.

1. The Ways and Means Committee will meet today at 12:00 noon to consider the bill.

If they report out the Senate bill, we will have to go to the Rules Committee for a rule. (a copy of a memo to the President from Stu on getting the rule is attached).

2. If they do not report out the Senate bill, we would have to go to the Rules Committee to get them to take the bill away from Ways and Means. The Leadership would probably not help on this.

Patti DeSouza
10/13

W & M - 12:00 noon
O'Neill & Williamson

THE WHITE HOUSE
WASHINGTON

October 13, 1978
Friday - 5:10 p.m.

MR. PRESIDENT

LONG AND ULLMAN HAVE BEEN TOLD
IN NO UNCERTAIN TERMS WHAT YOUR
POSITIONS ARE. THEY ARE WORKING
ON BITS AND PIECES OF A COMPROMISE
THAT SHOULD BE READY FOR YOU BY
TOMORROW MORNING.

SECRETARY BLUMENTHAL
(Passed to Phil Wise)

THE WHITE HOUSE
WASHINGTON

For. Policy breakfast 10-13-78

Cy → Botka

> Mid E talks = airdromes

> Hussein ?'s

> SALT II → Summit = B'fine
McBundy

Seignious/owen/McAuliffe/Steadman

PRC - Woodcock

2 Soviet spies - bail

Brown → Philippines

Operation Sombbrero

S Korea - Nukes

Editorial meeting 10/13/78

THE WHITE HOUSE
WASHINGTON

ME - SAC - Nam - Rhodes
CIS - En - Hosp - Air de
Full emp - Infl - Deficits

Canaveral - Space

Smith / S. Hole

Youth camp / deaths, etc
Inflation -

Cong / Pres relationship
Marijuana

S. Arabia - oppose C David
Assassination investigation

Cong act too soon
Handicapped
Balanced growth - NC.

THE WHITE HOUSE
WASHINGTON

10/13/78

Frank Moore

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

**Electrostatic Copy Made
for Preservation Purposes**

U.S. REPRESENTATIVE
34TH DISTRICT OF NEW YORK

COMMITTEES:
GOVERNMENT OPERATIONS
RANKING MINORITY MEMBER
AD HOC COMMITTEE ON
ENERGY

DAVID A. LOVENHEIM
ADMINISTRATIVE ASSISTANT

**Congress of the United States
House of Representatives
Washington, D.C. 20515**

WASHINGTON OFFICE:
2229 RAYBURN BUILDING
WASHINGTON, D.C. 20515
(202) 225-4916

DISTRICT OFFICES:
314 FEDERAL BUILDING
ROCHESTER, NEW YORK 14614
(716) 263-6270

WAYNE COUNTY OFFICE BUILDING
LYONS, NEW YORK

October 12, 1978

Frank J

Dear Mr. President:

It was a pleasure for me to attend the bill signing of the Inspector General this morning. This will be an important addition to your efforts in curbing fraud and abuse in Federal agencies.

As one of the original sponsors, I am also appreciative of the fact that you signed H.J. Res. 1007 last Thursday, October 5, 1978, authorizing you to proclaim a week during the first 10 days in May of 1979 as "Asian/Pacific American Heritage Week." Although a signing ceremony was requested by my colleagues Congressman Norman Mineta, Senators Daniel Inouye and Spark Matsunaga and myself, we understood that the pressure on your schedule precluded any bill signing.

Because there have been over 200 Asian/Pacific organizations throughout the country in support of this bill, perhaps you might consider a signing ceremony when you sign the proclamation during the latter part of April or beginning of May of next year. It would be possible at that time to invite a representative group of Asian/Pacific Americans. This would permit you to publicly recognize and pay tribute to this group of loyal Americans as you have recognized other ethnic American groups.

Please let me know if I or a member of my staff may work with your Administration in setting up such a program.

With kindest personal regards,

Sincerely,

Frank Horton
Frank Horton

- The President
The White House
Washington, D.C. 20500

ccs: Hon. Mineta, Hon. Inouye, Hon. Matsunaga, Hon. Frank Moore

THE WHITE HOUSE
WASHINGTON
October 13, 1978

Frank Moore
Stu Eizenstat
Jack Watson

The attached was returned in the President's outbox today and is forwarded to you for your information. The signed original has been given to Bob Linder for appropriate handling.

Rick Hutcheson

cc: Bob Linder

THE WHITE HOUSE

WASHINGTON

October 12, 1978

MEMORANDUM FOR

THE PRESIDENT

FROM

STU EIZENSTAT *Stu*
KATHY FLETCHER

SUBJECT:

Transmittal of Legislative Proposal
to Designate Illinois Wild and Scenic
River (Oregon)

Governor Straub of Oregon, in providing helpful and courageous support of your public works veto, asked if we could promptly clear a legislative proposal to designate the Illinois River in Oregon as Wild and Scenic. The Oregon delegation is also supportive of the proposal. We determined that the proposal was ready to go and asked the Agriculture Department and OMB to expedite its clearance. Secretary Bergland wrote you on October 5 urging your approval of this proposal.

It is necessary for you to transmit the proposed legislation before the close of the Congress. This River was designated for study in the original Wild and Scenic River Act. The protections afforded by that study designation will lapse unless this proposal is transmitted. Congress will then have time to act next year in the absence of immediate threats to the River's free-flowing character.

I recommend that you sign the attached transmittal letters. Frank Moore and Jack Watson will handle Congressional notification and notification of the Governor.

Attachments

(TWO SIGNATURES REQUESTED)

THE WHITE HOUSE

WASHINGTON

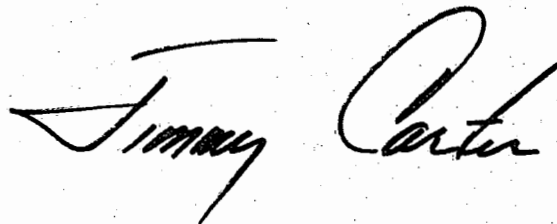
Dear Mr. President:

In accordance with the Wild and Scenic Rivers Act, I am pleased to transmit a proposal to designate a 50.4-mile segment of the Illinois River within the Siskiyou National Forest in Oregon as an element of the National Wild and Scenic Rivers System.

This recommendation is based on a careful study by the Secretary of Agriculture and reflects the involvement of a broad spectrum of concerned government and private organizations at the national, State and local levels. Designation of this segment of the Illinois River will protect its free-flowing character and preserve its outstanding scenic and recreational values. It will also complement the adjoining Rogue Wild and Scenic River.

I, therefore, strongly concur with the Secretary's recommendation to preserve the unique and irreplaceable natural values of the Illinois River through its designation as a Wild and Scenic River, and I urge speedy Congressional approval.

Sincerely,

A handwritten signature in black ink, reading "Jimmy Carter". The signature is written in a cursive, flowing style. The first name "Jimmy" is written with a large, sweeping initial "J". The last name "Carter" is written with a large, sweeping initial "C".

The Honorable Walter F. Mondale
President of the Senate
Washington, D. C. 20510

THE WHITE HOUSE
WASHINGTON

Q
✓

October 13, 1978

MEMORANDUM FOR THE FIRST LADY

FROM: BOB LIPSHUTZ

BJL

I thought that you and the President would appreciate the enclosed correspondence and remarks involving Reverend John Steinbruck, Pastor of Luther Place Memorial Church of Washington.

Enclosure

September 21, 1978

To Reverend John Steinbruck

Congratulations as the American Jewish Committee honors the qualities of spiritual leadership that long ago earned you my deepest personal respect. The presentation to you of the Isaiah Award is further recognition of your strong sense of justice and selfless devotion to your fellowman.

Rosalynn and I have noted your many good works for the poor and homeless of our City. We are well aware that your dedication to human rights extends beyond our borders, and we applaud your compassionate concern for Soviet Jews and victims of oppression in South Africa.

We are pleased to join in the hope that you may continue strong in your noble mission to carry out the teaching of the prophet Isaiah, "To learn to do well; seek justice, relieve the oppressed."

Sincerely,

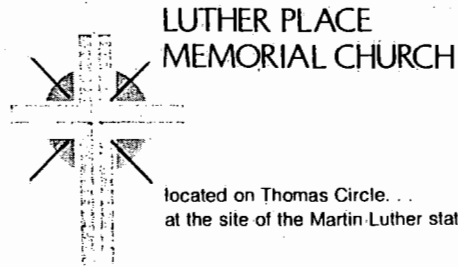
/s/ Jimmy Carter

Corr. file → The Reverend John F. Steinbruck
Luther Place Memorial Church
Washington, D.C. 20005

TO BOB LIPSHUTZ TO HAND-CARRY.

JC:Coolidge:pm
cc:S.Clough/J.Fallows/E.Coolidge/CF
EVENT: NOON SEPT. 21
Requested aby Brant Coopersmith.

October 5, 1978



1226 VERMONT AVENUE, N.W.
WASHINGTON, D. C. 20005
202/667-1377

Mr. Robert J. Lipshutz
Counsel to the President
The White House
Washington, DC 20500

Dear Bob:

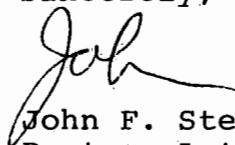
Thank you for being present and reading the President's kind and generous letter at the Isaiah luncheon. We shall treasure it at Luther Place.

Enclosed is a copy of my response following the Isaiah presentation. I send it to you not that it is of immortal substance, but because I believe the insight regarding the Carter presidency is and will be even more profoundly true; namely, the struggle to restore and enable the world as a "hospice" for all humankind; as a hospitable environment for the well-being, security and sharing of every living creature; to recover the biblical vision of "Shalom" that is the all-pervasive theme of both Hebrew and Christian scriptures.

The "southern hospitality" I experienced one summer as a childhood visitor sent from Philadelphia's industrial northside to the small peaceful town of Shenandoah, VA was a culture shock. I now recognize it was also a manifestation of the biblical theme of sacred hospitality. That is the thread I see that ties the Carter presidency together, ... whether it be disarmament, human rights, environmental policy, or general economic fairness ..., weaving a more hospitable world. It is a viable and desirable purpose that the public will more and more affirm as it is perceived. We want and desperately need a world that is a hospice ... not a hostile place of violence, suffering and want.

Again, I believe the President and his administration are exemplifying that enlightened sacred way we all must travel.

Sincerely,



John F. Steinbruck
Pastor, Luther Place Memorial Church

Remarks made by Pastor John F. Steinbruck
on the occasion of receiving the Isaiah Award
from the Washington Chapter of the American Jewish Committee
September 21, 1978

It is always a beautiful moment when friends can "break bread" together ... this group in particular ... because as I look about I am reminded of the many (what I hope were) "holy conspiracies" that we have hatched -- trying to respond to problems that fall thru the cracks of the structure, massaging and nudging "principalities and powers" to act, and occasionally letting fly with a swift kick in the butt when Caesar's lethargy was costing lives in our community.

Together we have been and will continue to be an "Isaianic" community. But today it is especially appropriate when we can come together in the unexpected "afterglow" of Camp David. What was to be an apparent "zero-sum" game (as Norman Kurland calls it), where one side can gain only at the other's expense (a win or lose situation over the symbolic crossroads of the world community), turned out instead to be a "family gathering" of the Children of Abraham, the biblical patriarch who literally (and in name) was the source and father of many nations.

This event, which I receive with deepest gratitude as an expression of friendship and love, is an affirmation of our continuing interreligious partnership and coalition in doing the agenda of Isaiah (Is. 61) ... and Jesus of Nazareth (Lk. 4):

"to receive the Spirit of the Lord, anointing us to preach good news to the poor (of 14th Street); ... sending us to proclaim release to the captives (of the Gulag Archipelago and Cambodia and Uganda and Argentina); ... recovering of sight to the blind and disabled (and bringing them into the "mainstream" of life); ... to set at liberty those oppressed (by configurations of economics and politics beyond their control)."

In a word, "to proclaim the acceptable year of the Lord", the Jubilee year ... to do justice!!! And, Jews and Christians, we'll continue this delightful "synergistic" coalition until all demons are "up the flue" and Yahweh retires us all.

Yet, this "warm communion" in which you embrace the Steinbruck family and Luther Place congregation takes on an even brighter glow as we bask in the light of a new sun that has risen over the Catoctin Mountain. Granted, it's only a "framework

for peace" at this moment -- and already every negative and termite-like divisive force is at work trying to eat out the underpinning of that fragile framework. It behooves each of us to work with total energy (body, mind, soul and spirit) to shore up and expand the foundation of the "peace framework" by striving to establish justice wherever and in whatever context we live and work.

Certainly this room is full of such examples, whose lives breathe the spirit of the prophets such as Isaiah and Jesus ... whose lives are living "sanctifications" of God's name -- (Kiddush Hashem) -- who bear witness amidst the idolatries of the world to the difference that faith makes ... who proclaim in word and deed, in life and thought, that there is no real God but the Transcendent One ... who with the whole of their beings are manifestations of the faith that gives life; and as such are the fulfillment of Isaiah's metaphorical vision for Israel: "be ye a light to the nations". And I am overwhelmed that the Jewish community would pay any attention to a minister off 14th Street, a child of immigrant German parentage, and from a religious tradition that has been the source of so much suffering, horror and death for the faithful of Israel in dispersion. Through the experience of being accepted by the Jewish community and in knowing you, I am enabled to perceive more deeply that love and compassion which was so alive in the prophet Jesus, for you are its source and the bedrock origin of that "living water". That is evangelism, in the real and original meaning of the word. Not that we religiously "conquer" one another, but that together we exemplify the spiritual and moral life of the covenant people as "wounded healers" (to use Father Henri Nouwen's phrase) in the midst and in empathy with a suffering world.

We were given a beautiful "presidential example" of that role these past two weeks in a profound demonstration of "southern hospitality" that has deep biblical-theological roots ... roots that originate in the "creation story" that is the embodiment of hospitality, the Genesis vision of the whole earth as a "hospice" for all creatures to inhabit as guests, "living in harmony, balance, joy and to be complementary well-being of every other creature." (Dr. Walter Brueggemann, Eden Theological Seminary)

Consistent with that vision, so generously, humbly, and effectively did our President function as "host", that Camp David could well be renamed the biblical "Oaks of Mamre", Camp Abraham!! ... the site on which Abraham's tent was pitched and where he hosted persons who arrived as strangers ... and in that hospitable environment there resulted the conception and birth of a new nation.

Why not?!! What is possible in Washington (and is represented in this room) is possible globally ... a re-birth of the Abrahamic family of diverse tribes, coalescing in faith -- to work for justice -- that will allow peace to blossom. Towards that end we must achieve a unity from our diversity ... each bringing our individual strength and skill, woven into a new "Isaianic" coalition to at once "seek justice and relieve the oppressed". Till finally:

"swords are beaten into plowshares, spears
into pruning hooks; nation shall not lift
up sword against nation, neither shall
they learn war anymore."

In a word, SHALOM!! ... a world where all can be at home ...

Urgent before Editor's
briefing.

THE WHITE HOUSE
WASHINGTON

Mr. President,

It is our strong
view that you should
flatly refuse to
comment on the
Armin threat. Anything
you say could become
a pretext for people
getting killed unless
you appear to be caring

(21)

THE WHITE HOUSE
WASHINGTON

in to Amine's trusts.

Evans, Schuster and State
all agree by this recommendation.

Jay

THE WHITE HOUSE
WASHINGTON

Phil has
pleasure

THE WHITE HOUSE
WASHINGTON 10/11/78

Mr. President:

CBS is filming a special
segment on Rosalynn and would like
to get some footage of the two of
you at lunch tomorrow. It would
be best to set up the lunch in
the Oval Office for this.

☒ approve ☐ disapprove

Phil

THE WHITE HOUSE
WASHINGTON

Mr. President:

I had a talk with Scotty Reston this weekend .

He thinks the N.Y. Times will go back next week, perhaps as early as Monday. He is anxious to see you and do a very upbeat, complimentary piece on you as his first column.

As you know, he wanted to have a reflective talk with you before Camp David. Since then, you've had so many successes. But it has not been as good without the New York Times and this is a good opportunity. You have ~~previ~~ previously o.k'd a Reston interview.

I have checked with Phil and we could do it Thursday afternoon or Friday afternoon of this week.

Approve ✓ Disapprove _____
Thursday _____ Friday _____
30 min. _____

✓

THE WHITE HOUSE
WASHINGTON

Jody asked that you see this...
said that one of the editors
is from Loring, Maine,...and
is certain to ask this question
today.

October 13, 1978

PLANS TO CLOSE LORING AFB, MAINE

Q: What is the current status of the proposal for closing Loring AFB?

A: AS YOU WILL RECALL, WHEN I WAS IN MAINE LAST SPRING I STATED THAT I WOULD HAVE THE SECRETARY OF DEFENSE RE-EXAMINE THE ECONOMIC IMPACT OF THE PROPOSED ACTION. THIS REASSESSMENT IS IN PROGRESS AND WE EXPECT THE RESULTS TO BE AVAILABLE LATE THIS YEAR OR EARLY NEXT YEAR.

PRESIDENT JIMMY CARTER
CIVIL SERVICE REFORM BILL SIGNING
FRIDAY, OCTOBER 13, 1978, 9:30 A.M.

*Mo Udall - Chmn Nix¹
Ed Derwinski - Jack Brooks
Abe Ribicoff - Charles Percy
Jim Mc Intyre - Scotty Campbell
Ken Blaylock*

DURING MY CAMPAIGN FOR THE PRESIDENCY, I MADE REORGANIZATION OF THE GOVERNMENT A TOP PRIORITY. THIS MONUMENTAL CIVIL SERVICE REFORM BILL TAKES A LONG STEP TOWARD MEETING THAT COMMITMENT. IT IS THE CENTERPIECE OF EFFORTS TO BRING EFFICIENCY AND ACCOUNTABILITY TO THE FEDERAL GOVERNMENT.

THIS LEGISLATION PROVIDES A FUNDAMENTAL -- AND LONG OVERDUE -- REFORM OF THE FEDERAL BUREAUCRACY. NINETY-FIVE YEARS AGO, CIVIL SERVICE WAS CREATED TO PUT AN END TO THE ABUSES OF THE POLITICAL SPOILS SYSTEM. TODAY, I AM HAPPY TO SIGN THIS BILL WHICH MARKS THE FIRST MAJOR CHANGE IN THE CIVIL SERVICE IN NEARLY A CENTURY.

(=OVER=) (THIS BILL CHANGES.....)

2

THIS BILL CHANGES THE RULES. IT PUTS INCENTIVE -- AND REWARD -- BACK INTO THE FEDERAL SYSTEM. IT ALLOWS FEDERAL EMPLOYEES TO BE ENCOURAGED, TRANSFERRED, OR DISCHARGED FOR THE RIGHT REASONS -- IF THEY CANNOT OR WILL NOT PERFORM....AND PREVENTS DISCOURAGING OR PUNISHING THEM FOR THE WRONG REASONS -- FOR WHISTLEBLOWING OR PERSONAL WHIM IN VIOLATION OF EMPLOYEE RIGHTS.

THIS BILL WILL MAKE THE BUREAUCRACY MORE RESPONSIBLE. IT WILL BUILD IN INCENTIVES -- EXCELLENCE CAN NOW BE REWARDED.

IN BEING FAIR TO FEDERAL EMPLOYEES, WE MUST ALSO AND WILL BE FAIR TO THOSE WHO PAY OUR SALARIES -- THE AMERICAN TAXPAYERS.

(=NEW CARD=) (OUR NATION WAS BUILT.....)

3

OUR NATION WAS BUILT ON A SYSTEM OF REWARDS AND INCENTIVES.
"YOU GET WHAT YOU PAY FOR" IS PART OF OUR FOLK WISDOM.

CIVIL SERVICE REFORM WILL HELP TAXPAYERS GET WHAT THEY HAVE BEEN PAYING FOR.

PROMOTIONS WILL NO LONGER BE AUTOMATIC. FROM NOW ON PROMOTIONS AND PAY INCREASES WILL BE THE SIGN OF JOBS WELL DONE IN THE FEDERAL GOVERNMENT.....JUST AS IT IS IN EVERY PRIVATE BUSINESS.

EMPLOYEES WHO USE IMAGINATION, INITIATIVE, AND BOLD VISION WILL BE ABLE TO BENEFIT IN WAYS THEY NEVER COULD BEFORE.

(=OVER=) (THOSE WHO BELIEVE IN)

THOSE WHO BELIEVE IN GOVERNMENT THE MOST, AND WHO DEDICATE THEIR CAREERS TO LIVES OF PUBLIC SERVICE, HAVE THE GREATEST STAKE IN MAKING IT WORK. IT IS AN HONOR TO DO THE PEOPLE'S BUSINESS. IT IS TIME TO MATCH THIS HIGH PURPOSE WITH HIGH PERFORMANCE -- BY THE PRESIDENT AND BY ALL THOSE WHO WORK WITH ME IN OUR NATION'S SERVICE.

THIS IS A GREAT PIECE OF LEGISLATION. NOW ALL OF US -- ELECTED OFFICIALS, APPOINTED OFFICIALS, TENURED CIVIL SERVANTS -- HAVE TO GET BUSY AND MAKE IT WORK.

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